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GUIDELINES FOR ESTABLISHING FEE LEASE HUNTING ON PRIVATE LANDS IN TEXAS AND THE SOUTHERN PLAINS

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Guidelines

for

Establishing Fee Lease Hunting

on Private Lands

in Texas and the Southern Plains

by

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TABLE OF CONTENTS

	Page
Introduction	1
Requirments for Successful Fee Leasing	2
Fee Leasing Arrangements	3
Advantages and Disadvantages	4
Leases for Particular Game Species	6
Basic Requirments Necessary for Leasing	8
Economic Considerations	9
Budget Analysis	10
References	15

INTRODUCTION

As agricultural production costs increase relative to prices for farm products, landowners and operators intensify their search for alternative income. One potential source of income for some farmers is the leasing of land for hunting rights. Even though all wildlife is public property, the right to hunting private lands is controlled by the landowner. Without consent from the landowner or operator, a person trespasses if he enters or remains on the property of another. Consent to hunt on private lands may be sold (or given) by the landowner or operator, and in many cases this revenue has become a significant portion of a landowner's income.

Hunters, especially from urban areas, are finding it increasingly difficult to locate areas in which to hunt. Land, which had been freely open to hunting in the past, has been leased, in many cases to selective hunting clubs or corporations. Hunters who are used to being permitted to hunt on a particular farmer's property for free are finding these areas closed and only available by prior arrangements. Therefore, more and more hunters are turning to leases to obtain access and hunting rights for game hunting.

In many areas of the country, fee-lease hunting has become a common and important source of income for landowners. The earlier successful commercial hunting arrangements were for big game, but more recently fee hunting has been used for waterfowl and upland game birds. Hunting leases for deer have been available in central Texas since the mid 1920's. Today it is nearly impossible to hunt any big game in Texas without purchasing a hunting lease. The experiences with hunting in central Texas provide valuable information covering the development of fee-lease hunting for

other game species in different parts of the state.

REQUIREMENTS FOR SUCCESSFUL FEE-LEASING

The success of fee-leasing operations depends on many factors, among which the attitudes of hunters and landowners are very important. Hunters must accept the facts that hunting on private land is a privilege and that abundant game represents a cost to the landowner. Where hunters have been accustomed to free access to hunting privileges by merely requesting permission, the institution of fee-lease hunting will likely be resented unless hunters understand the advantages of obtaining exclusive hunting rights. Local hunters may be especially resentful of hunters from other areas who are willing to pay fees for leasing hunting rights to areas that were previously available locally at no cost.

Landowners' attitudes also have an important effect on the success or failure of fee-leasing systems. Landowners must consider the management of hunting leases as an important enterprise in his farm or ranch operation. He must provide more than the right to hunt on his property if the leasing arrangement is to be successful. Both game resources and hunting rights must be managed or coordinated just as production and marketing of any other enterprise must be managed to be profitable. Landowners who are not willing to exert some effort to provide successful hunting experiences will likely not find fee lease activities rewarding.

In order to aid landowners and operators in deciding whether or not to become involved in fee lease hunting activities, the following information is provided. A brief summary of leasing alternatives is followed by a discussion of resources necessary and opportunities and problems involved. Information is also provided concerning aids to management decision-making

concerning fee lease hunting.

FEE LEASING ARRANGEMENTS

Many different types of hunting leases are used by landowners in Texas. As a matter of fact, it would be rare to find any two leases identical, although there may be much in common among them. A lease is a written document providing the hunter with rights to hunt on property owned by another. Leases can be classified by a)length of time, such as day, season, or year-round; b) game species, such as deer lease, duck lease, quail lease; or c) accommodations provided, from very limited to a guided hunt to include facilities or living accommodations, food, transportation or other benefits. Each lease agreement is a unique arrangement and can be designed to meet the needs of the landowner and hunters interested in obtaining hunting rights.

The most desirable type of lease for each situation depends on the resources available, such as species of game, accommodations, additional recreation (fishing, riding) and the attitudes of the leasor. If the landlord is willing to accommodate hunters, fishermen and campers year around, leasing can be set up on an annual basis and could be an important source of income. A landowner who wishes to obtain an income from leasing hunting rights for a few days during the dove or pheasant season would be more likely to set up a daily lease arrangement. Less effort is normally required to handle leases on an annual or seasonal basis than on a daily basis, but also the economic return may be greater for daily leases. Certain types of leases are more successful for specific game species and the particular species of game to be hunted must be considered before setting up a leasing system. Some of the advantages and dis-

advantages of the most common types of leasing systems are discussed in the following section. In a survey conducted in Texas during 1977, it was determined by Willis and Mertes that 71 percent of the leasing arrangements were for a full hunting season period.

Advantages and Disadvantages

1. Day Lease - Hunting area is leased on a daily basis, and usually a fixed amount per day is charged.

   Advantages:

   1. Generally has a high potential for maximizing returns to hunting activities.
   2. Provides use for any extra labor available during the hunting season.
   3. Guests can be invited to hunt without making any special arrangements with paying hunters.
   4. Allows for more complete harvest for some species and provides flexibility to vary the number of game taken by closing the lease early to conserve game.

   Disadvantages:

   1. Requires considerable time during the hunting season.
   2. The most expensive arrangement to the landowner in terms of management cost.
   3. Income is generally not known in advance.
   4. Usually there is very littly familiarity with individual hunters.
   5. Landowner must be people oriented.

2. Season Lease - The shooting preserve operator leases out land to a certain party of hunters for the duration of the hunting season.

Advantages:

1. Relatively little management time and labor is required.
2. Operator usually knows his hunters personally.
3. System involves minimal trouble.
4. Least expensive arrangement for the landowner; he works only with one person or group.
5. Income is known in advance.
6. Control of trespassing and poaching.

Disadvantages:

1. On the average, this method yields the lowest net returns per acre of all personal leasing arrangements.
2. There tends to be very littly flexibility used in regulating wildlife population.
3. Requires special arrangements be made for hunting by guests of landowner.

3. Year-round Lease - The shooting preserve operator leases out their land to one party of hunters or sportsmen. It usually includes all hunting privileges, and may include other recreational privileges.

Advantages:

1. Little management is required.
2. Hunters assume all responsibility.
3. Good hunter-landowner relationship established.
4. Income is known.
5. Lease contract may be for several years.
6. Control of trespassing and poaching.

Disadvantages:

1. Game may be inadequately harvested.
2. Hunters may be on the land at undesirable times.
3. Landowner may be reluctant to increase lease price or change arrangements.

4. Broker or Outfitter - Landowner arranges with an individual to assume all responsibilities of hunting on land; this individual then leases out the land and controls hunters.

Advantages:

1. Landowner is removed from management responsibilities and is free to carry on usual activities.
2. Income is known.
3. Wildlife management can be provided by the broker.
4. Requires little or no time of the landowner.

Disadvantages:

1. Reduced income, lowest of all arrangements to landowner.
2. Landowner does not know hunters and may not be aware of activities occurring on his land.

Leases for Particular Game Species

Although no one particular type of lease is used exclusively for any game species, certain types of leases are more commonly used for specific game. The length of season and bag limit influence the hunters preferences and success of leasing arrangements. Deer hunting is generally a season activity, and hunters prefer to lease rights to hunt for the season or year around for Whitetail Deer, and Mule Deer. On several hunting preserves,

hunters pay a certain fee for the game they kill and if they cannot find a trophy they want, they do not pay. Trophy fees range from $500 to over $1000 for Whitetail bucks and Mule Deer bucks. On a ranch near Kerrville, Texas hunters paid $125 each for the privilege of hunting antlerless deer only with a maximum of three deer.

For upland game birds, including doves, quail and pheasants, hunting leases are generally by the day or season. Outfitter leasing has been successful for pheasant hunting and quail hunting. Migratory waterfowl are frequently hunted on season leases where the hunter has an opportunity to prepare his own blind. In many cases, each of these game species are hunted through special leasing arrangements for weekends, holidays, or to include extra accommodations. Successful leasing arrangements are those in which the landowner recognizes a type of partnership with hunters whereby both benefit from the hunting activity. Both hunter and landowner must understand the needs and wants of each other for this type of partnership arrangement to work.

Where there is a distinct advantage to the hunter to become familiar with the hunting terrain or where the hunter can influence his hunting success by preparing facilities prior to the season, there is usually a desire for a season lease. If there is likely to be a great fluctuation in numbers of game either during the season or from one season to another, the lease time is usually shorter such as for a day or a weekend. On the other hand, if the landowner is willing to be available every day and enjoys visiting with new people, a day lease is more successful. If the landowner prefers to handle the lease with a minimum number of hunters or perhaps only one contact, the season lease or year-round lease or the arrangement

with an outfitter will likely be more successful.

BASIC REQUIREMENTS NECESSARY FOR LEASING

The landowner must control sufficient land area for exclusive hunting rights and there must be enough game for hunters to wish to lease these hunting rights. The exact area and number of game animals necessary depends on the topography, the availability of alternative hunting opportunities, the species of game and the hunting season. For land areas too small to be attractive for leasing, it may be possible to consolidate acreages and develop a marketable leasing package. Such a leasing program could be handled by a broker or outfitter who combines hunting areas from different landowners. In several communities, civic organizations or chambers of commerce have developed leasing arrangements by joining holdings of many landowners to provide a sizeable lease area.

A permit is required in Texas before a landowner can legally offer hunting rights for sale. The permit is required under Parks and Wildlife Code section 43.042. A license must be acquired from the Parks and Wildlife Department before the manager of a shooting preserve may receive pay from any guest for hunting on the shooting preserve. A shooting preserve is an amount of land leased for hunting purposes. Current license fees are $10 for areas less than 500 acres, $25 from 500 acres to less than 1000 acres and $40 for 1000 acres or more. Also, a record of the guest hunting license number and number type and date of game killed must be maintained.

The actual permit allowing fee lease hunting on the lease is most successful when it is a written document agreed upon by both the landowner and the hunter. The lease should specify conditions under which hunting

can be done and the responsibilities of both landowner and hunter. No two leases for different hunting areas will be identical, but certain conditions should be contained in all leases. Every lease needs to include a description of the property being leased; name of the parties; terms of the lease; amount of the payment and when it is due; the time limits of the lease; who is allowed to use the lease; what and how much game may be taken and by what means; what services or facilities are involved; who is responsible for blinds, cabins or providing special permits; and what damages may be assessed. A proper written lease properly witnessed can be recorded in county records and is binding on the landowner if the property is sold. It is advisable to consult a lawyer when a lease is first set up to insure the wording reflects what is intended and that the liability of both parties is protected.

A market must be available to sell leasing arrangements, locally or from population centers within travelling distance. As leases become more recognized and in greater demand hunters will come from further distances to obtain hunting rights. Longer travel usually relates to longer stay and fewer trips and also to better accommodations. The facilities available for hunters has an influence on the attractiveness of an area for hunting. Motels, cabins, camping areas and sporting goods stores all help attract hunters and contribute to the success of a hunting expedition.

ECONOMIC CONSIDERATIONS

The income potential from hunting leases will vary with the number of leases sold and the amount charged per lease. The number of leases that

can be sold depends on the type of wildlife hunted, the size of the area to be hunted, the number of harvestable game located on the property and the length of the season. The charge per lease depends on the type of lease sold as well as the going rate in the area. For landowners just starting into leasing, the fee is usually set comparable to similar charges in the area, and as interest increases or hunting improves, the rates are increased. Pheasant leasing is commonly handled in many Texas High Plains areas by service organizations such as Lions Clubs or Kiwanis Clubs and by Chambers of Commerce. These organizations can coordinate the leasing of large acreages, improve hunter-landowner relationships, reduce the management requirement of the landowner and obtain income for the organization. Current rates range from $25 per day to season leases of $50 and up per gun.

Hunting clubs, business firms or other consumer groups may arrange leases for use by their members. Such group leasing has benefits to landowners in the reduction of management input and ease the convenience of arranging just one lease. Costs of promotion are reduced and responsibility for damages can be immediately assessed to the organization. The organization doing the leasing has a vested interest in controlling their member activities as well as reducing poaching and improving conditions for future hunting.

Budget Analysis

A technique to determine the potential net income from wildlife fee leasing is a partial budget analysis. A partial budget considers additional costs and additional revenues from a change in some enterprise. In the case of initiating a wildlife enterprise as an addition to current

activities on a farm, the partial budget would need to include any additional expenses anticipated such as advertising; management of the lease; legal fees; damages, losses of revenue from other enterprises and any costs of improving hunting or wildlife habitat. Increases in potential returns also must be taken into consideration such as income from leasing fees; sales; and non-monetary revenue such as gifts from hunters.

A suggested format for budgeting fee-lease hunting activities is provided in Table 1. The total returns less total costs from the leasing operations indicate the net returns that might be anticipated when this information is carefully analyzed and computed in this table. However, other activities on the farm will likely be affected by hunting leases and the net result of these activities needs to be considered also. Therefore, information such as is included in Table 2 needs to be obtained and analyzed for each farming enterprise affected. For example, if, in order to improve the hunting conditions and population of game, a farmer plants grain where he normally would have planted cotton, the reduced income from cotton would be included as well as any increase in grain income. Each increase in returns or decrease in costs would be itemized in columns 1 and 2 and any decrease in returns or increase in costs would be shown in columns 4 and 5 of Table 3. The net result of the changes in enterprises is obtained from the totals on the bottom line in Table 3. After this type of a partial budget analysis, it is possible to project whether or not the final result would be profitable. It might be a desirable activity even if it were not financially profitable if it reduced losses from poaching or interference in farming operations from hunters.

Table 1: Economic Analysis of Fee-Lease Hunting Operations

Anticipated Returns:

Lease sales - number _____ at _____ returns _____
number _____ at _____ returns _____
number _____ at _____ returns _____
Total _____

Other returns -
Other income _____
Non-monetary _____
Totals _____
Total returns _____

Anticipated Costs:

a) Fixed:
Registration permit _____
Promotion & Advertising _____
Telephone & Mail _____
Management _____
Posting _____
Maps & Instructions _____
Legal Fees _____
Insurance _____
Other costs _____
Total _____

b) Variable:
Registering hunters _____
Property damage _____
Labor - policing _____
Fuel - Machinery _____
Management _____
Other costs _____
Total _____

Total Costs _____

Habitat:
Management _____
Stocking _____
Feed, seed _____
Crops _____
Cover _____
Preditor control _____
Earth moving _____
Labor _____
Other costs _____
Total _____

Table 2: Enterprise Evaluation

PARTIAL BUDGET ANALYSIS FOR FEE-LEASE HUNTING

Enterprise Affected _____ Period Covered _____

Estimated Changes -

RETURNS

PRODUCTION CHANGES: Acreage Change _____ Yield _____ Output _____

Yield Change _____ Acreage _____ Output _____

Estimate Price _____ Estimated Change in Returns _____

Other Changes in Returns _____

COSTS

Inputs (List)	Decreased Costs	Increased Costs
_____	_____	_____
_____	_____	_____
_____	_____	_____
Labor (Specify)		
_____	_____	_____
_____	_____	_____
Management (Specify)		
_____	_____	_____
_____	_____	_____
Investment (Specify)		
_____	_____	_____
_____	_____	_____
Other Changes (List)	_____	_____
_____	_____	_____
_____	_____	_____

Total Changes in Costs _____

Net Changes in Costs _____

Table 3: Firm Evaluation

PARTIAL BUDGET ANALYSIS FOR FEE-LEASE HUNTING

Farm or Ranch Identification _____

Date _____ Evaluator _____

Activities Affected by Leasing	CREDITS (1) Increased Returns	(2) Decreased Costs	(3) Total Credits	DEBITS (4) Decreased Returns	(5) Increased Costs	(6) Total Debits	(7) Net Changes (Col. 3-6)
Household (non-monetary)							
Farming-Crops							
Grain							
Cotton							
Vegetables							
-Livestock							
Grazing							
Feeding							
Hunting Leases							
TOTALS							

Totals from Column 3 minus Column 6 should equal Column 7.

If the total from Column 7 (Net Changes) is negative, a financial loss could be expected from fee lease hunting.

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